

MOTOR FUELS UPDATE

DEPARTMENT OF REVENUE



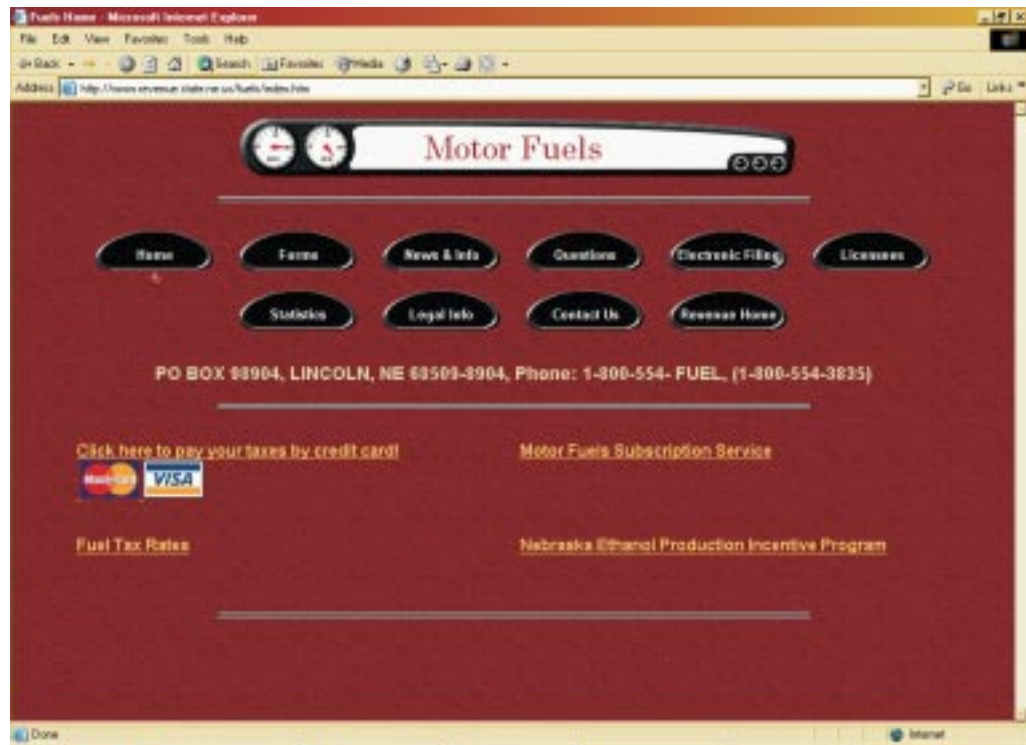
Volume 12, Edition 1

Semiannually

April 2003

Our Web Site

Since we last highlighted our Web site (*April 2002 Update*), we have made several modifications, including:



- **A “Subscription Service.”** By entering your e-mail address, you will automatically be sent a notification when a newsletter, fuel tax rate, or other information is updated.
- **A link to our new “Credit Card Payment” option.** See article on page 2.
- **A “Nebraska Ethanol Production Incentive Program” section.** This section contains a summary of the benefits LB 536 provides for the production of ethanol.
- **A “Questions” button.** This button contains a list of 24 of the most frequently asked questions. As an added bonus, we included 24 answers.
- **Modified the way to access information under our “Licensees” button.** For “Active Licensees” and
(*cont. on page 2*)

INSIDE

- **Credit Card Payments**
- **Biodiesel Product Code 284**
- **Refund Claims Reminder**
- **Cash Bond Fund Oversight Committee**

OUR WEB SITE

(cont. from page 1)

“Active Retailers” sections, you may now search by name or FEIN. If you are unsure of the name, entering the first letter will list all names beginning with that letter. Under the “Cancelled Licensees” section, you may again search by name or FEIN; however, you may also check the box and a list of all licenses cancelled within the past several months will be shown. As an added convenience, each of these listings can be downloaded to your computer.

Previously these listings were updated monthly. They are now updated weekly.

We hope these modifications will assist you. Remember, our Web site address is: **www.revenue.state.ne.us/fuels**.

If you have any questions about how to navigate this site, contact us.

CREDIT CARD PAYMENTS

We have introduced another payment option which allows you further flexibility in paying your Nebraska motor fuel taxes. You may now pay your motor fuel tax liabilities with a credit card.



We have placed a link on our Web site that will take you to the Credit Card Payments section of the department's Web site. This section provides you further information about this service and allows you to connect to the provider, Official Payments Corporation (OPC).

The screen prompts will step you through the payment process. Currently, you are limited to using either Visa or MasterCard, but you may pay any combination of tax, interest, or penalty up to your card's credit limits. If you are a mandatory EFT payor, you may utilize this option to make payments in lieu of or in addition to EFT transfers. If you do not have Internet access, you may contact OPC via their toll free number 1-800-272-9829 to initiate your transaction.

There are fees involved; 2.5 percent of the amount charged unless the charge is under \$40, in which case it will be a flat fee of \$1. This fee will be added to your charge and goes directly to OPC. Only the tax amount goes to the state. As with any credit card transaction, any disputes specific to the credit card charge are between you and OPC. Any disputes regarding your motor fuel tax liabilities remain between you and the Department of Revenue.

Please contact your Account Representative if you have any questions about this service.

BIODIESEL PRODUCT CODE 284

As previously reported, biodiesel (B100) is subject to Nebraska diesel fuel tax when:

- ✓ blended with undyed diesel, or
- ✓ placed directly into a licensed motor vehicle.

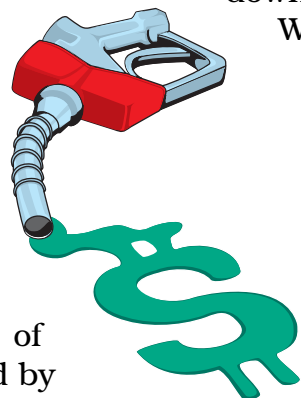
Product Code 284 identifies both undyed biodiesel (B100) and the undyed blended product (biodiesel and diesel fuel).

REFUND CLAIMS REMINDER

As you are aware, fuel tax must be charged on the vast majority of motor vehicle fuels and clear diesel fuel sold to the final consumer. However, some of this fuel is used by your customers in equipment other than licensed vehicles. Your customers may be entitled to receive a refund of the clear diesel fuel tax or a refundable income tax credit for the motor vehicle fuels tax.

DIESEL — Form 84AG or Form 84

To obtain a refund of the tax paid on clear diesel fuel used in off-road (unlicensed) agricultural equipment, your customer must file a Nebraska Diesel Fuel Tax Refund Claim for Agricultural Production, Form 84AG. To obtain a refund of the tax paid on other off-road uses of diesel, such as that used in construction, refrigerated units, quarrying, and other industrial equipment, your customer must file a Nebraska Motor Fuels Refund Claim, Form 84.



Both of these forms may be downloaded from our Web site.

If your customer has both diesel-powered licensed vehicles and unlicensed equipment, one storage tank for clear diesel may be used. However, the customer must maintain a withdrawal log documenting both on- and off-road withdrawals.

Documentation will be required to support their claim. Appropriate documentation includes copies of purchase invoices and withdrawal logs, if applicable. A list of all diesel-powered vehicles and equipment owned and operated is also required to accompany the initial claim filed.

GASOLINE/GASOHOL — Form 4136N

A refund of motor vehicle fuels tax paid on gasoline and gasohol used in off-road equipment is obtained through a refundable credit on your customer's income tax return. A Nebraska Nonhighway Use Motor Vehicle Fuels Credit Computation, Form 4136N, is used for this purpose and is filed

with their Nebraska income tax return.

As with diesel, the fuel claimed for credit cannot be used in any licensed vehicles.

Unlike diesel fuels, highway and off-road motor vehicle fuels cannot be commingled in the same tank. A dedicated storage facility for the nonhighway use fuel is required and must be appropriately labeled.

Although documentation does not need to be submitted with the Form 4136N, your customer must maintain appropriate documentation and must make it available to the department upon request. Purchase invoices must be labeled as nonhighway use gasoline. An equipment list should be entered onto the Form 4136N.

CASH BOND FUND OVERSIGHT COMMITTEE

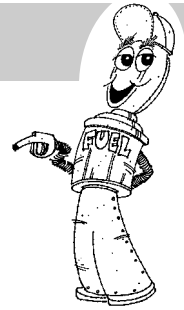
On April 3, 2003, the Cash Bond Fund Oversight Committee met and recommended a transfer of \$391,911.56 to the Highway Fund. The amount transferred paid the uncollected balances of seven accounts. The cash bond fund will still have sufficient funds, according to statutes, thus your collection fee will not be effected.

Bankruptcies established most of the balances that were paid. Even though the cash bond fund ensures that the Highway Fund receive the necessary tax, collection efforts continue with the accounts. All subsequent collections will be deposited in the cash bond fund. The committee recommended quicker referrals on balances appearing to be uncollectable. This action will reduce the amount of interest paid by the fund.

Current committee members are: *Fred Bosselman, Bosselman Oil; Bryan Daum, Battle Creek Farmers Coop; Marcia A. Fries, All Points Cooperative; Dan Hergert, Hergert Oil; Tim Keigher, Nebraska Petroleum Marketers; Bill Lucke, Aquila; and Mark Whitehead, Whitehead Oil Co.*

MOTOR FUELS TAX

The Nebraska motor fuels tax for **January 1, 2003** thru **June 30, 2003** is **24.6 cents** per gallon.



FOR MOTOR FUELS TAXPAYER ASSISTANCE

Call your account representative or toll free 1-800-554-FUEL (1-800-554-3835).

Lincoln residents call 471-5730.

For *TT (Text Telephone), dial 1-800-382-9309.



*Telecommunication Device for the Deaf (TDD) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.

OR CONTACT:

Motor Fuels Division
301 Centennial Mall South
P.O. Box 98904
Lincoln, NE 68509-8904

www.revenue.state.ne.us/fuels

If you have received a duplicate mailing or would like to subscribe, please call 1-800-554-3835

State Tax Commissioner
Mary Jane Egr
Motor Fuels Administrator
Janet Lake

Subscriptions are free

Published Semiannually by the
Motor Fuels Division
P.O. Box 98904
Lincoln, NE 68509-8904



Lincoln, Nebraska 68509-8904

P.O. Box 98904

PRSRT STD
U.S. POSTAGE
PAID
LINCOLN, NE
PERMIT NO. 212